

# Final Status of 2002 Tax Legislation

<u>Bill</u>	<u>No.</u>	<u>Author</u>	<u>Location</u>	<u>2nd</u>	<u>Tax</u>	<u>Subject</u>	<u>Description</u>
<b>SJR</b>	<b>31</b>	Haynes	SRT	held	estate	repeal	urges congress to immediately repeal the estate tax
<b>SCA</b>	<b>1</b>	McClintock	SRT		vlf	repeals vlf	repeals vlf & prohibits property tax on vehicles
<b>SCA</b>	<b>5</b>	Torlakson	Sapprop		local	special tax for trans	authorizes special transportation-related taxes by majority vote
<b>SCA</b>	<b>6</b>	Murray	Sconst		sales	fuel - trans fund	requires all sales tax on motor fuel to go for transportation purposes starting july 1, 2006
<b>SCA</b>	<b>9</b>	Speier	aapprop	susp	property	change of own - cohabit	cohabitants, as defined, aren't subject to change of ownership reassessment (like spouses)
<b>SCA</b>	<b>10</b>	Speier	S3r	inact	property	libraries - bonds - 55%	allows library districts to issue bonds backed by property tax, with 55% popular vote (like schools)
<b>SCA</b>	<b>12</b>	Perata	SRT		sales	ammunition	imposes special 5c per bullet tax for trauma center fund
<b>SCA</b>	<b>13</b>	Alarcon	Slg		local	vote requirement	permits taxes for transportation and bonds for low income housing by majority vote
<b>SCA</b>	<b>16</b>	McClintock	SRT	recon	gann	appropriations limit	year-to-year computation of gann limit; requires rebate of excess
<b>SB xxx</b>	<b>10</b>	Sher	S3r		sales	diesel - farming - clarify	clarifies definition of "farming activities" - reverses boe reg
<b>SB</b>	<b>145</b>	Perata	VETO		sales	fuel - bunker - exemp	exempts bunker fuel
<b>SB</b>	<b>219</b>	Scott	CH 807		income	conform - terrorist	conforms with federal rules for granting extensions in case of disaster (amd to include sb1805 contents)
<b>SB</b>	<b>248</b>	Romero	aapprop		alcohol	nickel a drink "fee"	5 cent per drink fee to fund alchol-related emergency services
<b>SB</b>	<b>306</b>	Poochigian	aapprop	held	property	new constr - storage tank	ixclude from new construction replacement of underground tanks - prospective only (amended out)
<b>SB</b>	<b>415</b>	Dunn	aapprop	held	income	returns - electronic	requires ftb to provide forms & software for electronic filing
<b>SB</b>	<b>657</b>	Scott	CH 34		income	conform - club, pay, elec	conforms with federal club dues and executive pay provisions; requires same election for state as federal
<b>SB</b>	<b>657</b>	Scott	CH 34		income	conform - retirement	conforms with 2001 federal retirement provisions; offset by revenue raisers
<b>SB</b>	<b>733</b>	Brulte	Sapprop	29.10	income	conform - education	conforms with federal qualified tuition program provisions
<b>SB</b>	<b>831</b>	Poochigian	Art		income	admin - forms for seniors	intent to require ftb to prepare special tax forms for seniors not needing to itemize
<b>SB</b>	<b>906</b>	Bowen	Art		income	protests - tolling	partial payments made by taxpayers protesting assessment deemed made when entire tax has been paid
<b>SB</b>	<b>1082</b>	Vasconcellos	Art		income	checkoff - seniors	extend sunset 2 years
<b>SB</b>	<b>1114</b>	Brulte	aapprop		sales	cement	determines location of sale of certain cement products
<b>SB</b>	<b>1255</b>	Burton	SRT		income	rates - 10% & 11%	restores 10% and 11% rates, indexed from 1996
<b>SB</b>	<b>1256</b>	Brulte	SRT	held	income	conform - retirement	conforms with 2001 federal retirement provisions; offset by revenue raisers
<b>SB</b>	<b>1273</b>	Haynes	SRT	held	income	credit - educational asst	20% credit for contributions to educational assistance organizations
<b>SB</b>	<b>1274</b>	Haynes	SRT	held	income	credit - contributed serv	credit for value of attorney, doctor services contributed to organizations providing services to poor
<b>SB</b>	<b>1275</b>	Haynes	SRT	held	income	credit - gun safes	credit for cost of gun safes and firearm safety equipment
<b>SB</b>	<b>1286</b>	Haynes	SRT	held	income	conform - nol - tourism	conforms with federal 100% 20 year carryover for tourism industry, thru 2003
<b>SB</b>	<b>1288</b>	McClintock	SRT	recon	income	contrib - tax me more	provides space on tax return for 'tax me more' contribution to fund state government
<b>SB</b>	<b>1297</b>	Monteith	SRT	held	sales	food - veterans	exempts food furnished as part of a veterans organization fundraising program
<b>SB</b>	<b>1365</b>	Speier	CH 484		income	checkoff - breast cancer	extends breast cancer research checkoff five more years
<b>SB</b>	<b>1400</b>	Romero	SRT	held	income	payment by bond	taxpayer may go to court if bond is filed sufficient to pay tax
<b>SB</b>	<b>1400</b>	Romero	SRT	held	sales	payment by bond	taxpayer may go to court if bond is filed sufficient to pay tax
<b>SB</b>	<b>1417</b>	Romero	Srules		fee	alcohol - sinclair	intent to establish nexus between alcohol sales and adverse health effects, and impose a fee
<b>SB</b>	<b>1439</b>	Oller	aapprop	susp	income	amnesty	ftb amnesty program for jan thru june 2003
<b>SB</b>	<b>1445</b>	Alpert	CH 258		income	settlement - \$ limit	increases settlement limit to \$7,500, indexed
<b>SB</b>	<b>1462</b>	Morrow	SRT	held	income	credit - surviving spouse	\$50 credit for surviving spouses of military retiree
<b>SB</b>	<b>1487</b>	McClintock	SRT		income	medical savings account	deletes federal limitations, thus permitting most anyone to make deposits in medical savings accounts
<b>SB</b>	<b>1494</b>	Ackerman	CH 206		property	liens - interest, penalties	includes interest, penalties, fees as part of the property tax lien
<b>SB</b>	<b>1502</b>	Johnson	aapprop	susp	sales	successor liability	relieves successor of interest and penalty liability
<b>SB</b>	<b>1510</b>	Dunn	SRT	held	sales	jet fuel exemption	exempts jet fuel used out of state
<b>SB</b>	<b>1520</b>	Ortiz			soft drink	soft drink tax	imposes soft dring tax \$2 / gal syrup, 21c / gal drink, for child health & achievement fund (amended out)
<b>SB</b>	<b>1523</b>	Sher	VETO		fee	crt terminals	fee for disposal of crt's, based on sinclair decision
<b>SB</b>	<b>1602</b>	Oller	aapprop	susp	income	loss - theft	option to deduct loss in year theft loss is discovered or year it is sustained
<b>SB</b>	<b>1608</b>	Morrow	SRT	recon	gas	exemption - emerg. veh.	gas and diesel exemption for local emergency service providers
<b>SB</b>	<b>1631</b>	Morrow	SRT	recon	property	possessory int - military	changes defn of 'independent' for pi on privately-owned on-base military housing
<b>SB</b>	<b>1660</b>	Scott	CH 487		income	ftb - omnibus bill	various ftb proposals re res judicata, joint strike fighter

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SB	1662	Peace	Art		income	capital gains - reduced rt	intent to reduce capital gains rate to produce a more stable revenue system
SB	1662	Peace	Art		property	change of own - comm'l	intent to reappraise commercial property when >50% of ownership interest changes hands
SB	1662	Peace	Art		sales	reform - services, rates	intent to broaden sales tax base and reduce rates
SB	1691	Margett	SRT		income	credit - long term care	30% credit for long term care insurance
SB	1701	Peace	CH 881		tobacco	stamps	replaces cigarette stamps with bar codes
SB	1724	Speier	CH 824		income	credit - child care	conforms with new federal childcare and dependent care provisions -- keeps old percent credits
SB	1760	Margett	Srules		property	allocation - eraf	technical changes to eraf
SB	1772	Chesbro	Sapprop	held	property	postponement - income	phases income limit to \$39,000, 2004 to 2007, indexed
SB	1776	Poochigian	SRT	held	income	credit - military benefits	100% credit for employers paying salary to employees on active duty
SB	1786	Karnette	SRT	held	income	credit - teacher retention	extends teacher retention credit to community college teachers
SB	1794	Torlakson	Strans		fee	transportation - sinclair	sinclair fee to defray costs of transportation systems; 55% vote requirement
SB	1805	Scott	aapprop	susp	income	conform - adopt, med dis	conforms with federal adoption expense exclusion, medically disabled taxpayer waiver of sol
SB	1826	Morrow	SRT	recon	sales	emergency equipment	exempts from sales tax emergency equipment purchased by local service providers
SB	1849	Budget	arules		income	budget bill	10&11% rates; nol suspension 2 yr; bank bad debt (amended out)
SB	1849	Budget	arules		income	budget bill	nol suspension & 80%; bad debt, teacher credit suspension, real estate w/h, high risk act (see ab2065)
SB	1849	Budget	arules		television	budget bill	new tax on satellite dish tv (amended out)
SB	1849	Budget	arules		tobacco	budget bill	\$3 / pack tobacco tax (amended out)
SB	1889	Johannessen	CH 119		sales	local - redding	allows redding, by majority popular vote, to levy a trans and use tax at 1/4%
SB	1890	Ortiz	SRT	held	tobacco	rate increase - 70c	increases cigarette tax by 70 cents per pack, proceeds to be used for cig & health-related programs
SB	1901	Machado	CH 446		sales	diesel - resale certificate	authorizes issuance of resale certificates with respect to exempt diesel
SB	1940	Speier	SRT		income	conform - bus meals	non-conformity with federal 50% limit on deduction of business meals -- 100% instead, for 180 days
SB	1940	Speier	SRT		income	credit - travel	\$150 / \$300 credit for personal travel expenses (plane trip & hotel in calif.) for individuals / couples
SB	1994	Soto	Sapprop	recon	fee	oil - enviro - sinclair	sinclair fee to defray costs associated with mitigation of petroleum pollution
SB	2051	Bowen	CH 694		income	tax protestors	information practices act can't be used for tax determinations
SB	2051	Bowen	CH 694		local	tax return information	allows ab63 (01) to proceed - ftb to provide tax information to cities
SB	2082	Bowen	Art	recon	tobacco	internet sales	requires internet sellers into calif to advertise the fact that use tax is due on purchases
SB	2085	Rev & Tax	CH 269		property	technical provisions	treasurers & tax collectors' technical changes & corrections
SB	2086	Rev & Tax	CH 214		property	technical provisions	assessors' technical property tax administration changes
SB	2092	Rev & Tax	CH 775		property	technical provisions	boe technical property tax proposals
SB	2101	Johnson	SRT	failed	vlf	notices	requires tax increase notice to accompany vlf bills if vlf is increased
aca	11	richman	CH 185		budget	infrastructure	infrastructure fund, into which an increasing % of revenues would be deposited
aca	13	leonard	aapprop	held	admin	board consolidation	abolishes boe, ftb, creates tax commission
aca	17	briggs	Art	failed	property	postponement	eliminates the income limit for the senior property tax postponement program
aca	18	wiggins	Art		property	change of own - disabled	extends grandparent - grandchild transfer provision to developmentally disabled
aca	19	nation	aapprop	held	property	change of own - grandpa	extends grandparent - grandchild transfer provision regardless of whether parents are dead
aca	22	campbell, j	Art		gann	appropriations limit	reforms gann limit; requires 5% budget revenue shortfall account; other changes
ab	7	thomson	CH 330		sales	local - davis	imposes 1/4c or 1/2c trans and use tax in davis
ab	81	migden	CH 57		property	generators - assessment	moves generators from local to state assessment
ab	116	nakano			income	capital gains - sm bus	100% exclusion of gains from sale of small business stock held for more than 5 years (amended out)
ab	131	corbett	CH 30		income	conform - retirement	conforms with 2001 federal retirement provisions - fast track rollover - recent retirees provisions
ab	278	a jobs comm	SRT		income	credit - mic - 7%, sunset	increases mic to 7% and repeals sunset
ab	278	cohn	SRT	held	income	credit - mic - 7%, sunset	governor's proposal to increase mic from 6% to 7% and extend sunset date to 2008 (amended out)
ab	278	a jobs comm	SRT		income	enterprise zone - ag	creates 5 agriculture zones with enterprise zone tax benefits
ab	278	a jobs comm	SRT		sales	exemption - telecom, etc	sales tax exemption for broadband telecom and security equipment
ab	278	a jobs comm	SRT		sales	mic - extractive ind.	expands mic base to include extractive industries
ab	373	leach	SRT	held	income	vetrinary expenses	deduction for vet expenses for animals adopted from nonprofit animal welfare organizations
ab	428	budget			income	budget bill	10 & 11%; vlf suspension; teacher & solar credit suspension; bad debt reserve; (amended out)

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ab	428	budget			tobacco	budget bill	50 cent cigarette tax increase (amended out)
ab	433	budget	adesk		income	budget bill	vlf suspension, 80%; teacher credit suspension; bad debt reserve, 50%
ab	433	budget	adesk		tobacco	budget bill	63 cent cigarette tax increase
ab	433	budget	adesk		vlf	budget bill	reduces vlf offset from 67.5% to 25% for 2002
ab	483	shelley	SRT		income	unitary - ceridian	dividends received deduction - eliminates unconstitutional provision
ab	499	cogdill			income	enterprise zone - add'l	requires ttc to designate an additional e-zone within an inter-regional partnership meeting 3 criteria (amd)
ab	499	cogdill			income	enterprise zone - convert	converts manufacturing enhancement area in imperial county to an enterprise zone (amended out)
ab	499	cogdill			income	enterprise zone - expand	includes as enterprise zone areas in an inter-regional partnership meeting 3 criteria (amended out)
ab	523	vargas			income	enterprise zone - imper	changes brawley mea to an enterprise zone (amended out)
ab	523	matthews			sales	medicine - bronchodltrs	exempts bronchodialators from sales tax (amended out)
ab	593	diaz			sales	mic - software mfg	governor's proposal to expand mic sales tax exemption to new software dev companies (amended out)
ab	680	steinberg	Slg	SRT	sales	local - allocation	reallocates local sales tax by situs, population
ab	690	wiggins	CH 939		income	credit - community dev	allows safe-bidcos to be eligible for the 20% community development credit
ab	727	correa	SRT	dead	income	credit - donated food	10% credit for donated agricultural products - pilot program starting in 2004
ab	874	horton	Sapprop	held	insurance	credit - community dev	extends sunset for 20% credit for contributions to community development prog from 2002 to 2005
ab	902	alquist			income	credit - education	50% credit for employer contribution of employees to be math & science teachers (amended out)
ab	902	strom-martin	CH 331		sales	local - certain cities & co	transactions & use tax for "qualified cities and counties" named
ab	934	hertzberg	Strules		property	trial de novo	local trial de novo for local assessment issues
ab	983	briggs	SRT	dead	income	enterprise zone - reconfig	authorizes zones to request trade & commerce to reconfigure zone boundaries
ab	1036	pescetti	SRT		property	senior cit relief	expands senior citizens property tax relief assistance program to include mobilehomes on rented land
ab	1105	oropeza	aconcur		vlf	trigger	clarifies the trigger, whereby vlf would increase if director declares that funds are insufficient
ab	1121	cardoza	Sjud		income	expatriating corps	prevents public works contracts from being awarded to expatriating corporations
ab	1122	corbett	CH 35		income	conform - retirement	conforms with 2001 federal retirement provisions; offset by revenue raisers
ab	1408	hollingsworth	CH 524		income	nol - pierce's disease	technical change to special nol for pierce's disease -- food & ag only has to affirm that disease is present
ab	1458	kelley	CH 152		sales	administration	offers in compromise program for sales tax; fee interest relief in case of disasters
ab	1743	campbell, j	Art		income	conform - retirement	conforms with 2001 federal retirement provisions
ab	1752	migden	CH 156		admin	boe - public records	requires boe to abide by same public disclosure requirements as imposed on ftb by last year's sb 445
ab	1753	migden			vlf	increase - trigger	rolls back vlf offset by using existing trigger language - majority vote (amended out)
ab	1768	oropeza	CH 1127		income	interest on refunds	interest on corp and estate tax refunds is lesser of 5% or 13-week bill rate
ab	1768	wayne			tobacco	discount reduction	decreases cigarette stamp discount by basing 0.85% on the first 10 cents of the tax (amended out)
ab	1834	wyland	aapprop	held	income	conform - nol - 15 years	extends nol period to 15 years, at 75%
ab	1842	campbell, b	Art	susp	income	capital gains - 50% excl	excludes 50% of gains on capital assets held for more than one year
ab	1844	mountjoy	Art	susp	property	change of own - mobile	modifies exclusion from change in ownership transfers of mobiliehome parks to nonprofits, etc.
ab	1844	mountjoy	Art	susp	property	homeowner exemption	increases to \$17,000 for seniors, blind and disabled
ab	1845	correa	Sapprop	held	admin	liens - victims restitut.	gives victims' restitution liens priority over all other liens
ab	1846	correa	SRT	dead	income	enterprise zone - 20 yr	expands 20 year zone period to all zones, not just those designated before 1990
ab	1862	wyman	Art	susp	income	credit - military	50% credit, \$75k max, for excess of benefits paid by employers over military pay received by called-up t
ab	1875	nakano	CH 390		income	corporations - dissolving	filing of articles of dissolution with secretary of state
ab	1885	liu	aapprop	held	income	credit - health insurance	25% credit for employee cost of continued group health plan coverage
ab	1887	hollingsworth	Art	held	income	retirement benefits	excludes civil service retirement benefits
ab	1897	zettel	Art	held	income	capital gains - 50% excl	excludes 50% of gains on capital assets held for more than one year
ab	1910	matthews	Spubsafe		income	refunds - crime	expands the crime of counseling taxpayers to file for illegal refunds
ab	1916	matthews	VETO		sales	medicine - diabetes	exempts lancets & blood glucose strips
ab	1936	horton	CH 647		business	electronic media	boe bill to authorize electronic for filing tax forms for all board-administered taxes
ab	1936	horton			sales	offset - new business	1% sales tax 'offset,' up to \$1,000, for new businesses, for 2004 only (amended out)
ab	1939	daucher	VETO		property	allocation - local option	allows locals to request authority to negotiate allocation of growth in excess of 2%
ab	1968	nation	CH 843		income	exclusion - energy consrv	exclusion for rebates from puc or cec for systems designed to supply taxpayer's electric or thermal load

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ab	1971	matthews	ajobs		income	enterprise zone - 2 new	authorizes designation of 2 additional zones (bringing total up to 44)
ab	1977	strickland	Art	held	sales	exemption - computers	exemption for "home" or laptop computers from state tax
ab	1980	bogh	aapprop	held	sales	exemption - pistols	exempts from state tax pistols purchased for use by law enforcement officers
ab	2014	harman	Art	fail	sales	swap meets	requires boe to provide an explanation of sales tax law and relevant penalties to swap meet participants
ab	2036	liu	CH 647		income	checkoff - children	extends sunset for children fund five more years
ab	2036	liu			property	interest on refunds	requires that interest on refunds be computed by treating each install. as separate payments (amd out)
ab	2056	zettel	Art	held	sales	computers - holiday	sales tax holiday for computer purchases on 3rd Saturday or Sunday in august
ab	2061	salinas	CH 338		sales	local - salinas sp tax	allows salinas to enact 1/4% tax by 2/3 vote, for city facilities
ab	2065	oropeza	CH 488		income	bad debts - bank	"conforms" with federal bank bad debt provision
ab	2065	oropeza	CH 488		income	collection - high-risk acct	forgiveness of interest & penalties for payment of high-risk delinquent accounts
ab	2065	oropeza	CH 488		income	credit - teacher retention	suspends teacher retention credit for 2002
ab	2065	oropeza	CH 488		income	nol supension & 100%	suspends nol for 2002 & 2003; increases applicable percentage from 65% to 100% for 2004 & thereafter
ab	2065	oropeza	CH 488		income	real estate withholding	withholding on real estate transactions 3 1/3% - extends w/h to in-state sellers
ab	2065	oropeza	CH 488		income	stock options withhold	increases withholding on stock options and bonuses from 6% to 9.3%
ab	2065	nakano			property	roll - situs address	allows assessees to request that situs address be restricted to internal use only (amended out)
ab	2065	oropeza	CH 488		sales	collection - high-risk acct	forgiveness of interest & penalties for payment of high-risk delinquent accounts
ab	2073	canciamilla	alg		property	allocation - generators	if a city annexes a generating facility, the county would still get the same amount of revenue
ab	2127	matthews	CH 620		income	checkoff - lung	repeals sunset for asthma and lung checkoff; includes \$250,000 provision
ab	2164	cogdill	Art	held	income	credit - medical	25% credit off total tax for doctors providing medical services in medical professional shortage areas
ab	2168	bogh	Art	held	income	exclusion - retirement	\$10,000 exclusion for retirement income of people with agi of less than \$50,000 / \$100,000
ab	2205	koretz	CH 687		tobacco	butlegging - penalties	increases penalties for distributing black market cigarettes, to fund a crack-down program
ab	2209	chu	alg		property	retirement - tax rate	"carmen" property tax rate for voter-approved retirement plan
ab	2224	nation	CH 341		sales	local - sonoma trans	1/4% trans & use tax for sonoma-marin rail trans dist
ab	2304	wyman	Art	held	income	credit - aricraft	50% credit for employer cost of labor associated with dod, nasa, aircraft mfg contracts
ab	2306	campbell,j	Art		income	conform - federal ti	intent to require federal taxable income as starting point for computing pit
ab	2342	salinas	ajobs		income	enterprise zone - 2 new	requires establishment of 2 new zones; requires location and community size as criteria
ab	2358	bates	Art	held	income	stock options - exclusion	exclusion from income for stock options in high tech industries
ab	2375	cardoza	Sapprop		income	expatriating corps	prevents public works contracts from being awarded to expatriating corporations
ab	2388	la suer	CH 776		admin	ftb - court-ordered debt	extends sunset for court-ordered debt collection program thru 2005
ab	2400	salinas	ainact		sales	local - monterey	up to 1% tax for monterey county, but majority or 2/3 vote (unclear)
ab	2414	campbell, b	SRT		income	statute of limitations	imposes 10-year statute of limitations on any ftb action against a taxpayer
ab	2461	keeley	CH 566		vlf	alternative fuel vehicle	extends thru 2008 sunset on partial exemption for alternative fuel vehicles
ab	2487	bates	Art	held	income	credit - military housing	100% credit for property tax attributable to housing for armed forces members and families
ab	2557	leach	Art		income	conform - scholarshare	exclusion of scholarshare distributions
ab	2560	vargas	aapprop	held	income	unitary - single sales fact	single sales apportionment factor if conditions are met; special treatment for oil
ab	2562	vargas			income	enterprize zone - trading	allows enterprise zone credits to be transferred to other taxpayers (amended out)
ab	2570	cogdill	Art	susp	income	credit - irrigation	25% credit for agricultural irrigation improvements
ab	2617	liu	Art	held	income	medical - long term care	allows long term care insurance as an allowable benefit under cafeteria plans
ab	2630	harman			income	conservation easement	contrib carryover for conserv easements -- five-year carryover limit removed, retro to 1997 (amended out)
ab	2636	leonard	Art	susp	sales	gov't purchase - schools	state sales tax exemption for purchases by school entities
ab	2639	strickland	Art		sales	clothing - holiday	annual sales tax holiday for clothing items \$175 or less -- last weekend in may
ab	2640	strickland	Art		income	nol - pierce's disease	extends pierce's disease-related nol provision (now only for farming) to nurseries so afflicted
ab	2662	bogh	Art	susp	property	welfare - health care	health care facilites owned by llc, in turn owned by nonprofits, qualifies for welfare exemption
ab	2664	hollingsworth	Art	held	income	credit - education	credit for private school and high school costs
ab	2664	hollingsworth	Art	held	income	credit - teacher retention	increases credit from \$500 to \$1000
ab	2670	wyman	CH 690		income	conform - terrorist	conforms with victims of terrorism law
ab	2670	wyman			income	military	exempts from income tax military personnel who die while on active duty (amended out)

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ab	2680	cox	Art		income	protests - 2-year limit	ftb must issue a notice of action of filed protest within 2 years of protest filing
ab	2682	chu	aapprop	held	fee	oil - enviro - sinclair	sinclair fee to defray costs associated with mitigation of petroleum pollution
ab	2694	hollingsworth	Art	held	income	credit - research	full conformity with federal alternative incremental credit
ab	2699	maddox	Art	susp	income	military retirement	exclusion from income of military retirement pay, up to \$5,000
ab	2701	wyman	CH 593		sales	indian taxes	excludes from sales tax base the amount of taxes imposed by indian tribes
ab	2702	zettel	Art		income	credit - research	full conformity with federal alternative incremental credit
ab	2705	wyland			income	credit - excess energy	credit equal to 1/2 of energy costs for medium to small san diego energy customers (amended out)
ab	2714	aanestead	CH 299		property	valuaiton - bus personal	prohibits valuation of business personalty & fixtures using arbitrarily-determined minimum % good facto
ab	2720	aanestead	Art		income	credit - health - hmo	100% credit for hmo cost for seniors when coverage has been terminated
ab	2721	chan	ahealth		sales	food - child health	dept of health to study taxing certain foods, for child dental and health programs (amended out)
ab	2744	thomson	ahealth		alcohol	surtax	surtax on alcoholic beverages, to pay for health programs, but deposited in general fund
ab	2747	wesson	Sapprop	DEAD	income	credit - film	legislative intent to grant a film credit for films produced in ca
ab	2747	wesson	Sapprop		sales	film credit	exemption or credit in lieu of income tax film credit (amended out)
ab	2758	briggs	CH 346		sales	local - visalia	1/4% trans & use tax in visalia - 2/3 vote
ab	2781	cohn			income	returns - electronic	prohibits ftb from competing with intuit & others re tax return preparation aids (amended out)
ab	2783	strom-martin	CH 594		income	checkoff - endangered sp	reinstates endangered species check-off
ab	2791	migden	CH 169		income	returns - final returns	requires llcs & llps to be notified that tax continues to accrue until certification if cancellation is filed
ab	2804	daucher	Art		property	possessory interest	7 day minimum to establish "durability" for possessory interest purposes
ab	2809	longville	Art		sales	diesel - farming - clarify	clarifies definition of "farming activities" - reverses boe reg
ab	2875	vargas	CH 692		income	enterprise zone - lambra	8-year life begins with later of first land transfer or first business formation
ab	2878	wiggins	Art	fail	property	allocation - sales tax	property tax / sales tax / vlf switch between counties and cities
ab	2878	wiggins	Art	fail	sales	allocation - sales tax	property tax / sales tax / vlf switch between counties and cities
ab	2878	wiggins	Art	fail	vlf	allocation - sales tax	property tax / sales tax / vlf switch between counties and cities
ab	2897	wiggins	aapprop	held	sales	jet fuel	exempts jet fuel in excess of 50 cents per gallon
ab	2906	horton	Sinact		tobacco	distributions	crackdown on untaxed cigarettes; increase in penalties
ab	2963	aroner	CH 757		income	credit - child care	expands credit to children of unmarried parents
ab	2977	jobs comm	aapprop	held	income	enterprise zone - bounds	allows enterprise zones to modify and reconfigure their boundaries, within limits
ab	2978	art	SRT		income	conform - terrorist	conforms with federal terrorist tax provisions
ab	2979	art	CH 374		income	ftb - admin provisions	ftb income tax omnibus bill
ab	2980	art	aapprop	held	income	ftb - residence	ftb proposals relating to residence
ab	2988	alabor	VETO		admin	ftb-collect cal-osha fees	requires ftb to collect delinquent cal-osha fees
ab	3000	oropeza	CH 1124		income	interest on refunds	interest on corp and estate tax refunds is lesser of 5% or 13-week bill rate
ab	3009	budget	CH 1033		income	credit - natural heritage	suspends natural heritage tax credit for 2002; increases energy fee

2002 SUMMARIES OF ENROLLED/CHAPTERED LEGISLATION  
ADMINISTERED BY THE FRANCHISE TAX BOARD

The Franchise Tax Board's (FTB) complete legislative analyses for each of the following bills can be found on the "Law and Legislation" page at the FTB website <http://www.ftb.ca.gov>.

<b>FRANCHISE TAX BOARD SPONSORED LEGISLATION</b>	
AB 2963 Aroner Chapt. 757	<p>This act allows unmarried parents the same eligibility for the California Child and Dependent Care Refundable Credit as divorced or separated parents.</p> <p><i>R&amp;TC 17052.6</i></p>
AB 2979 AR&T Committee Chapt. 374	<p>This act:</p> <ol style="list-style-type: none"> <li>1. Amends the Government Code to delete an obsolete reference to the Revenue and Taxation Codes regarding tax liens.</li> <li>2. Treats Child and Dependent Care Credit returns as claims for refund.</li> <li>3. Conforms state law to federal law regarding the accuracy related penalty.</li> <li>4. Makes technical changes to the Senior Citizens Homeowners and Renters Property Tax Assistance Laws.</li> <li>5. Codifies sourcing rules for the other state tax credit.</li> <li>6. Increases the gross income and state income tax liabilities that qualify for judicial relief of joint and several tax liabilities in divorce proceedings.</li> </ol> <p><i>R&amp;TC 18001, 19006, 19052, 19180, 19354, 20503, 20505, 20514, 20563, 20642, 20645</i></p>
SB 1445 Alpert Chapt. 258	<p>This act makes two enhancements to FTB's authority to settle civil tax disputes to allow:</p> <ol style="list-style-type: none"> <li>1. the Executive Officer and Chief Counsel to approve any settlement up to \$7,500 and index that amount in future years to reflect inflation, and</li> <li>2. tax years to be completely resolved through a settlement agreement.</li> </ol> <p><i>R&amp;TC 19442</i></p>
SB 1660 Scott Chapt. 487	<p>This act contains provisions, sponsored by the Franchise Tax Board, to:</p> <ol style="list-style-type: none"> <li>1. correct an erroneous reference in the Joint Strike Fighter Credit, and</li> <li>2. repeal obsolete language with respect to original issue discount treatment.</li> </ol> <p>This act also:</p> <ol style="list-style-type: none"> <li>3. adds definitions to the Solar Energy System Credit.</li> </ol> <p><i>R&amp;TC 17052.2, 17053.37, 17053.84, 19283, 23637, 23684, 24994</i></p>
SB 1875 Karnette Chapt. 399	<p>This act changes the documentation requirements for filing a claim under the Senior Citizens Homeowners and Renters Property Tax Assistance Law (HRA) by eliminating a statutory requirement that claimants attach a copy of their annual property tax statement to their claim.</p> <p><i>R&amp;TC 20561</i></p>

SB 2051 Bowen Chapt. 694	This act conforms to federal law by prohibiting taxpayers from administratively appealing their tax liability using the Information Practices Act of 1977.  <i>R&amp;TC 19570</i>
<b>BUDGET TRAILER LEGISLATION</b>	
AB 1768 Oropeza Chapt. 1127	This act reduces the rate of interest for overpayments of income tax for corporate taxpayers. The rate would be reduced from 6% (as of July, 2002) to the lesser of 5% or the rate of interest on the 13-week US T-bill.  <i>R&amp;TC 19521, various GC, HNS, PCC, Streets &amp; Hwy</i>
AB 2065 Nakano Chapt. 488	This act: <ol style="list-style-type: none"> <li>1. Suspends the Teacher Retention Credit for 2002.</li> <li>2. Suspends the deduction for net operating losses (NOLs) for the 2002 and 2003 taxable years, then makes the NOL deduction 100%,</li> <li>3. Extends withholding on real property sales to California residents beginning January 1, 2003.</li> <li>4. Increases withholding on stock options and bonus payments from 6% to 9.3%.</li> <li>5. Allows FTB to offer taxpayers with high-risk collection accounts the opportunity to satisfy an unpaid tax liability by paying the tax in full and receiving a waiver of interest, penalties, and fees.</li> <li>6. Conforms to federal bad debt deduction rules for banks.</li> <li>7. Provides penalty relief for underpayments caused by tax changes enacted during the 2002 calendar year.</li> </ol> <i>R&amp;TC 7093.8, 17052.2, 17276, 17276.3, 18662, 18663, 18668, 19136.8, 19183, 19444, 23457, 24348, 24416, 24416.3, 24449</i>
AB 3000 Assembly Budget Committee Chapt. 1124	This act: <ul style="list-style-type: none"> <li>• Requires state agencies to conduct a survey and develop an implementation plan concerning bilingual services, and</li> <li>• Changes the rate of interest for overpayments of income tax by corporate taxpayers.</li> </ul> <i>R&amp;TC 13563, 19521, 40016, Various B&amp;PC, EduC, GC, HNSC, IC, LC, PC, PUC, WIC</i>
AB 3009 Assembly Budget Committee Chapt. 1033	This act suspends the allocation of the Natural Heritage Preservation Tax Credit between July 1, 2002, and June 30, 2003.  <i>R&amp;TC 40016, Pub Resources 37022</i>
<b>CONFORMITY</b>	
AB 131 Corbett Chapt. 30	This act allows public employees to roll over 457 deferred compensation plan proceeds and to purchase service credits with 457 deferred compensation plan proceeds.  <i>R&amp;TC 17501.5, 17501.7</i>

<p>AB 1122 Corbett Chapt. 35 &amp; SB 657 Scott Chapt. 34</p>	<p>These acts conform state law to federal treatment of the:</p> <ol style="list-style-type: none"> <li>1. Pension plan, Coverdell Education Saving Account, and Qualified Tuition Plan changes contained in the federal Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16).</li> <li>2. Contributions of publicly traded stock to private foundations.</li> <li>3. Gifts of appreciated property for alternative minimum tax purposes.</li> <li>4. Federal S corporation election, requiring corporations with a valid S election for federal law to be an S corporation for California law.</li> <li>5. Discharge of Indebtedness of an S corporation.</li> <li>6. Deduction of club dues.</li> <li>7. Deduction of excess compensation for officers.</li> <li>8. Disallowance of lobbying and political expenses.</li> <li>9. Estimated tax payments of individuals.</li> <li>10. Numerous federal changes made between January 1, 1998, and January 1, 2001.</li> </ol> <p><i>R&amp;TC For Both Acts: 17024.5, 17039, 17052.12, 17062, 17062.3, 17063, 17085, 17132, 17132.6, 17140, 17140.3, 17144, 17144.5, 17205, 17251.5, 17270.5, 17271, 17275.5, 17279.5, 17501, 17551, 17552.3, 17560, 17563.5, 17570, 17731.5, 17751, 18038.5, 19136, 19136.8, 19141, 19365, 19521, 23038.5, 23456, 23456.5, 23457, 23609, 23701, 23705, 23711, 23712, 23801, 23802, 23811, 24306, 24307, 24343.7, 24357, 24357.9, 24424, 24443, 24661.3, 24667, 24685.5, 24710, 24942, 24949.1</i></p>
<p>SB 219 SR&amp;T Committee Chapt. 801</p>	<p>This act conforms state law to specified sections of the federal Victims of Terrorism Tax Relief Act of 2001 to do the following:</p> <ul style="list-style-type: none"> <li>◆ exempt items from income for certain disasters or acts of terrorism,</li> <li>◆ extend certain taxpayer deadlines.</li> </ul> <p>This act also:</p> <ul style="list-style-type: none"> <li>◆ adopts the federal employer-provided adoption assistance income exclusion;</li> <li>◆ extends the time a “financially disabled” taxpayer has to file for an income tax refund;</li> <li>◆ adopts certain federal scholarship and fellowship income exclusions;</li> <li>◆ conforms to installment sale pledge rules;</li> <li>◆ makes several technical corrections to AB 1122; and</li> <li>◆ permits a 100% shareholder of an S corporation to file a group return.</li> </ul> <p><i>R&amp;TC 17131, 17501, 17551, 17560, 17731, 18535, 19109, 19311, 23801, 24601, 24667, 17132.6, 17131.8, 17137, 19316, 19559, 18572</i></p>
<p>SB 1724 Speier Chapt. 824</p>	<p>This act conforms the California Child and Dependent Care credit to the recent changes made to the federal Child and Dependent Care Expenses credit.</p> <p><i>R&amp;TC 17052.6</i></p>
<b>MILITARY</b>	
<p>AB 1433 Horton Chapt. 60</p>	<p>This act provides various civil protections and relief to military service members who are ordered to active federal or state military duty.</p> <p><i>GC 19770 &amp; M&amp;VC 395.06, 399, 399.5</i></p>



<b>ECONOMIC DEVELOPMENT</b>	
AB 2875 Vargas Chapt. 692	<p>This act changes the designation period for LAMBRAs to expire eight years after the later of either of the following:</p> <ul style="list-style-type: none"> <li>• The date legal title to the parcels on the former military base is transferred to the local government. (In the case of early transfer, the date the terms and conditions for satisfying the requirements of environmental clean up have been met and regulatory closure has occurred.)</li> <li>• The date a voucher is issued to an employer that has entered into a lease or has received title to property located within the LAMBRA.</li> </ul> <p><i>GC 7110, 7110.5</i></p>
<b>EXCLUSION FROM INCOME</b>	
AB 989 Chan Chapt. 701	<p>This act excludes from gross income certain Holocaust restitution payments received by an individual or the individual's heir or estate.</p> <p><i>R&amp;TC 17131.1</i></p>
AB 1968 Nation Chapt. 843	<p>This act expressly excludes from gross income any type of rebate, voucher, or other financial incentive received for the purchase or installation of an energy-producing system.</p> <p><i>R&amp;TC 17138.1, 24308.1</i></p>
SB 1977 Johannessen Chapt. 1108	<p>This act exempts from taxation any gain related to the transfer of assets from a mutual water company formed prior to September 26, 1977, to a community services district, a public agency.</p> <p><i>R&amp;TC 24473</i></p>
<b>BUSINESS ENTITIES</b>	
AB 1875 Correa & Nakano Chapt. 390	<p>This act allows directors or incorporators of a corporation that has not yet issued shares to dissolve by filing a signed and verified Certificate of Dissolution without obtaining a tax clearance certificate.</p> <p><i>CorpC 1900.5, R&amp;TC 23331, 23334</i></p>
AB 2791 Migden Chapt. 169	<p>This act requires:</p> <ul style="list-style-type: none"> <li>• the Secretary of State to notify certain business entities about the obligation to pay an annual tax at the time the entity is created or registered in this state, and</li> <li>• the FTB to notify certain business entities about the obligation to pay an annual tax until the existence of the business entity is properly ended or the business entity's registration is properly cancelled.</li> </ul> <p><i>R&amp;TC 17941 and 17948, CorpC 1562115692, 16953, 16959, 17050, 17451</i></p>
SB 399 Ackerman Chapt. 480	<p>This act establishes procedures for the conversion of corporations into limited liability companies (LLC), limited partnerships (LP), or general partnerships. This bill also would establish procedures for the formation of a corporation from the conversion of an LLC, an LP, or a general partnership.</p> <p><i>GC 12184 &amp; Various Corp code sections</i></p>

<b>VOLUNTARY CONTRIBUTIONS</b>	
AB 2036 Liu Chapt. 647	<p>This act reestablishes the voluntary contribution to support programs to prevent child abuse and neglect.</p> <p><i>R&amp;TC add/repeal Article 2 (commencing w/sec. 18711) of Ch. 3 of Part 10.2 of Div 2, Welfare &amp; Institutions Code 18969</i></p>
AB 2127 Matthews Chapt. 620	<p>This act reestablishes the voluntary contribution to benefit asthma and lung disease research.</p> <p><i>R&amp;TC repeal/add Article 12 (commencing w/sec. 18831) of Ch. 3 of Part 10.2 of Div 2</i></p>
AB 2783 Strom-Martin Chapt. 594	<p>This act reestablishes the voluntary contribution to support the Rare and Endangered Species Preservation Program.</p> <p><i>R&amp;TC add article 5 (commencing w/Sec. 18741) to Ch. 3 of Part 10.2, various Fish &amp; Game codes</i></p>
SB 1365 Speier Chapt. 484	<p>This act maintains the voluntary contribution to support the California Breast Cancer Research Fund for another five years.</p> <p><i>R&amp;TC 18795, 18796</i></p>
<b>MISCELLANEOUS</b>	
AB 2388 La Suer Chapt. 776	<p>This act extends the sunset date of the Franchise Tax Board's court ordered debt collection program.</p> <p><i>R&amp;TC 19283</i></p>
SB 1955 Figueroa Chapt. 1150	<p>This act, among other things,</p> <ul style="list-style-type: none"> <li>◆ allows the Franchise Tax Board to notify the California Tax Education Council (CTEC) when it encounters Tax Preparers who are not properly registered, and</li> <li>◆ Requires CTEC to notify the Attorney General, a district attorney, or a city attorney of the Tax Preparers that are not properly registered.</li> </ul> <p><i>HNS 123105, Various BP codes</i></p>
SB 1961 Polanco Chapt. 981	<p>This act expresses the Legislature's intent that the Franchise Tax Board will implement the current law that allows FTB to provide city tax officials with tax return information.</p> <p><i>GC 53752</i></p>
<b>VETOED LEGISLATION</b>	
AB 822 Shelley Vetoed	<p>This bill would have amended the California Public Records Act to require state agencies to justify the withholding of any record by:</p> <ul style="list-style-type: none"> <li>• requiring written determinations that a record is exempt from disclosure or the public interest is served by not making the record public;</li> <li>• establishing a procedure to allow any person to appeal to the Attorney General if a state or local agency denies access to a public record; and</li> <li>• providing that the court may award a plaintiff an amount not less than \$100 for each day, up to a maximum of \$10,000, that the agency improperly denied the right of the plaintiff to inspect the record.</li> </ul>

AB 2922 Simitian Vetoed	This bill would have required each state agency to provide to the Office of Privacy Protection a description of its system of records. The Office would be required to use this information to create the State Personal Information Inventory.
AB 2988 Assembly Labor & Employment Committee Vetoed	This bill would have required the Franchise Tax Board to collect certain employer assessments and penalties for the Department of Industrial Relations.
SB 987 Escutia Vetoed	This bill would have made various changes to current laws that address state agencies and bilingual services, such as: <ul style="list-style-type: none"> <li>expanding the definition of "substantial number of non-English-speaking people," and</li> <li>requiring distributed written materials, including forms, applications, letters, and notices, to be in non-English languages, as appropriate.</li> </ul>
<b>FAILED LEGISLATION</b>	
AB 483 Shelley	This bill would have allowed certain corporations a 100% deduction for dividends received from an insurance company subsidiary.
AB 2414 B. Campbell	This bill would have generally precluded the Franchise Tax Board from collecting personal income tax liabilities that are more than 10 years old.
AB 2747 Wesson	This bill would have created a refundable income tax credit for wages paid in connection with the production of a motion picture in California.
AB 2781 Cohn	This bill would have specified the method the Franchise Tax Board (FTB) would use for electronic filing for Form 540 2EZ and required FTB to explore the feasibility of creating a clearinghouse to route California 540 2EZ filers to commercial sector and other web sites.
AB 2980 AR&T Committee	This Franchise Tax Board sponsored bill would have allowed alimony to be a deduction for nonresident or part year resident taxpayers.
SB 1255 Burton	This bill would have changed the top marginal personal income tax (PIT) rates from 9.3% to 10% and 11%. The bill would have also resumed an alternative minimum tax (AMT) rate of 8.5%.
SB 1400 Romero	This bill would have allowed a taxpayer to post a bond instead of paying the disputed taxes while challenging an assessment in court.
SB 1439 Oller	This bill would have created a tax penalty amnesty program for certain taxpayers that have not reported or have underreported their income taxes.

UPDATED October 2, 2002

2002

## PROPERTY TAX LEGISLATION

2002

Bill Summary		Sponsor	Sections	Amend	Position	Effective
AB 81  Chapter 57, Statutes of 2002  Migden	<p><b>Electrical Generation Facilities.</b> With respect to certain electric generation facilities with a generating capacity of 50 megawatts or more:</p> <p><b>State Assessment.</b> Transfers assessment responsibility for property tax purposes from the local county assessor to the Board of Equalization beginning January 1, 2003.</p> <p><b>Revenue Allocation.</b> Changes the allocation of property tax revenues derived from these facilities from the county-wide pool system to the specific local tax rate area where the facility is located.</p>	Author	\$100.9 \$721.5	05/30/01 06/05/01 07/17/01 03/04/02	Support	Majority  01/01/03
AB 2714  Chapter 299, Statutes of 2002  Aanestad	<p><b>Percent Good Factors.</b> Provide that if the county assessor uses the reproduction or replacement cost approach to determine the value of tangible personal property or trade fixtures, then both of the following apply:</p> <p><b>Averaging Factors – New and Used Equipment.</b> If the county assessor depreciates the property using percent good factors published by the Board of Equalization that provide separate factors for property that is first acquired new and property that is first acquired used, the assessor may not average the published factors to apply these factors to both classes of new and used property. However, if information reported by a taxpayer does not indicate whether this property was first acquired by the taxpayer new or used, then the assessor may average the published factors.</p> <p><b>Minimum Percent Good - Supportable.</b> If the county assessor depreciates this property using percent good factors that include a minimum percent good, the minimum percent good factors shall be determined in a manner that is supportable. Assessors could still use minimum percent good factors, but the factors used must be based on some support.</p>	Author	\$401.16	02/22/02 05/07/02 05/15/02 06/18/02	Support	Majority  01/01/03
AB 3033  Chapter 759, Statutes of 2002  Judiciary Committee	<p><b>Access to Assessor's Records – Department of Child Support Services.</b> Adds the Department to the list of agency's that may have access to assessor's records.</p>	Committee	\$408	06/26/02	No Position	Majority  01/01/03

Bill Summary		Sponsor	Sections	Amend	Position	Effective
SB 1864  Chapter 616, Statutes of 2002  Costa	<b>Agricultural Conservation Easements.</b> Corrects cross reference errors related to special assessment procedures for these easements. Clarifies the definition of such easements by cross reference to the definition of these easements found in Public Resources Code Section 10211 for purposes of the California Farmland Conservancy Program.	Department of Conserv. and California Farm Bureau	\$402.1 \$421.5 \$423.4 \$423.8 \$426	02/22/020 4/09/0208 /23/02	No Position	Majority  01/01/03
SB 2086  Chapter 214, Statutes of 2002  Senate Revenue & Taxation Committee	<b>Welfare Exemptions – Notice of Ineligibility.</b> Change the date from March 15 to February 15 when the assessor must be notified if property receiving an exemption under Section 214.15 or 231 no longer qualifies. §254.5  <b>Religious Exemptions – Notice of Ineligibility.</b> Change the date from June 30 to February 15 when the assessor must be notified if property receiving the religious exemption no longer qualifies. §257  <b>Historical Aircraft – Late Filing.</b> Allow a partial exemption on late filed aircraft of historical significance exemption claims. §270  <b>Exemptions – New Property Acquisitions.</b> Change dates for filing a claim for various exemptions on new purchases of property from prior to the lien date to within 90 days from the first day of the next month after acquired. §271  <b>Subdivision Digital Maps.</b> Authorize a county board of supervisors to adopt an ordinance requiring a copy of a recorded digital subdivision map to be filed with the county assessor. §327.1  <b>Record Retention.</b> Make special document retention requirements for first-time welfare exemption, religious exemption, and the disabled veterans' exemption claims. §465  Corrects cross-reference errors. §95.35	California Assessors' Association	\$254.5 \$257 \$270 \$271 \$327.1 \$465	03/04/02 04/04/020 5/02/02	Support	Majority  01/01/03
SB 2092  Chapter 775, Statutes of 2002	<b>Indian Tribal Owned Low-Income Housing.</b> (1-1) Provide additional administrative provisions for the Indian Tribal Owned Low-Income Housing exemption to: <ul style="list-style-type: none"> <li>• Provide that an annual claim is required to be filed. §§254, 259.13</li> <li>• Provide a partial exemption for claims filed late. §270</li> <li>• Provide the exemption to property acquired after the lien date. §271</li> <li>• Modify the definition of lower income households. §237</li> </ul>	BOE  \$69.5 – SRT Sponsored	\$62 \$62.1 \$62.2 \$63.1 \$69.5 \$75.51 \$75.55 \$172 \$172.1 \$181 \$194 \$197	03/06/02 04/08/02 06/10/02 06/19/02	Support - Board Sponsored	Majority  01/01/03

	Bill Summary	Sponsor	Sections	Amend	Position	Effective
Senate Revenue and Taxation Committee	<p><b>Supplemental Assessments.</b> Increase the limit on supplemental assessment cancellations by the assessor from \$20 to \$50. (1-2) §75.55</p> <p><b>Disabled Veterans' Exemption – Follow Up Clean Up.</b> (1-3)</p> <ul style="list-style-type: none"> <li>• Correct cross reference to statute of limitations on refunds and cancellations. §276</li> <li>• Give disabled veterans additional time file a claim when the USDVA disability rating is received close to lien date (give 20 days to file). §276.1</li> <li>• Extend the exemption to property owned by a disabled veteran but not lived in on the lien date. §276.2</li> <li>• Provide that an escape assessment will be issued on a property for a mid-year termination of exemption. §§276.3, 531.1</li> </ul> <p><b>Correct Cross Reference Errors.</b> Erroneous code section reference corrections. (1-4) §755, §756</p> <p><b>Manufactured Homes.</b> (1-5)</p> <ul style="list-style-type: none"> <li>• <b>Supplemental Assessments.</b> <ul style="list-style-type: none"> <li>• Clarify supplemental assessments <i>are not</i> to be made for conversion from the VLF to the local property tax. §5802</li> <li>• Clarify supplemental assessments <i>are</i> to be made for changes in ownership and new construction.</li> </ul> </li> <li>• <b>Value Guides.</b> Add Board's Cost Handbook, corrects names of publications. §5803</li> <li>• <b>VLF Delinquency.</b> Delete obsolete language. §5831</li> <li>• <b>Correct Cross Reference Errors.</b> §5811, 5813</li> </ul> <p><b>Substitutes "manufactured home" for "mobilehome."</b> (1-6) §§62, 62.1, 172, 172.1, 181, 194, 197, 441, 480.4, 482</p> <p><b>Correct Cross Reference Errors.</b> Erroneous code section reference corrections. (1-7) §62.2</p> <p><b>Base Year Value Transfers.</b> Allows a taxpayer to qualify for a Proposition 60/90/110 base year value transfer if their home was destroyed in a non-governmental declared disaster for transfers occurring prior to March 24, 1999. §69.5</p> <ul style="list-style-type: none"> <li>• <b>Original Property Suffers Disaster – New Value Test.</b> Redefines the value test in the situation where a property was damaged or destroyed in a misfortune or calamity to</li> </ul>		§237 §254 §259.13 §270 §271 §276 §276.1 §276.2 §276.3 §441 §441.5 §480.4 §482 §531.1 §531.9 §620.5 §755 §756 §1603 §2611.6 §5802 §5803 §5811 §5812 §5813 §5831			

Bill Summary	Sponsor	Sections	Amend	Position	Effective
<p>provide that the value of the original property will be that in its pre-damaged condition.</p> <ul style="list-style-type: none"> <li>• <b>Retrospective Application.</b> Has an retroactive effect in terms of eligibility, but any tax relief would commence with the lien date of the assessment year in which the claim is filed (i.e. no refunds or cancellation of taxes prior to the date that the claim is filed).</li> </ul> <p><b>Mobile-Home Parks - Base Year Value Transfers.</b></p> <ul style="list-style-type: none"> <li>• Specifies that “land owned by a claimant” includes a pro rata interest in a resident-owned mobilehome park.</li> <li>• Extends claim deadline to allow prospective relief for resident-owned mobilehome parks recently reassessed for pro rata changes in ownership . (1-8) §69.5</li> </ul> <p><b>E-Filing Business Property Statements.</b> Provides specific authorization and addresses signature requirement. Specifically, property statements filed using electronic media shall be authenticated pursuant to methods specified by the assessor and approved by the board. §441 (1-9) §§441, 441.5</p> <p><b>Parent-Child Change In Ownership Exclusion.</b> Reinstates the parental (or executor) signature requirement on exclusion claims. (1-10) §63.1</p> <p><b>Clarify the Assessment Appeal Deadline Extension.</b> (1-11)</p> <ul style="list-style-type: none"> <li>• <b>Single County-Wide Deadline.</b> Clarifies that the deadline per county is either Sept. 15<sup>th</sup> or Nov. 30<sup>th</sup> for all property (real and personal) on either roll (secured or unsecured) dependent upon whether notices are provided to real property on the secured roll.</li> <li>• <b>Newspaper Publication of Values.</b> Clarifies that notification in newspaper (§621) does not suffice as notice.</li> <li>• <b>Assessor Notify Clerk and Tax Collector.</b> Requires assessor to notify other county offices by April if he or she will be sending notices to taxpayers by August 1.</li> <li>• <b>BOE Maintain Statewide Listing.</b> Requires clerk to notify BOE of county’s deadline so a statewide list can be maintained.</li> <li>• <b>Miscellaneous Code Reference Updates.</b> Deletes obsolete reference to uniform Sept. 15<sup>th</sup> deadline. §§75.51, 2611.6, 620.5</li> </ul> <p><b>Escape Assessments- Low Value Exemption.</b> Permits a board of supervisors to adopt an ordinance to exempt escape assessments where the assessment would cost more to assess and collect than the taxes collected. Escape assessments can not exceed fifty dollars (\$50). (1-13) §531.9</p>					

	Bill Summary	Sponsor	Sections	Amend	Position	Effective
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### Miscellaneous Property Tax Related Bills

<b>AB 1008</b>  <b>Chapter 723, Statutes of 2002</b>  Lowenthal	<b>Tax Defaulted Property.</b> Publication of delinquent properties reduced to those delinquent more than three years.  <b>University of California Study - Tax Delinquent Properties and Affordable Housing.</b> Allows UC to obtain certain data.	Dept. of Housing & Community Develop.	\$3351 §3371		No Position	Majority 01/01/03
<b>AB 2238</b>  <b>Chapter 621, Statutes of 2002</b>  Dickerson	<b>Task Force - Protection of Public Safety's Official's Home Information.</b> Creates an advisory task force, chaired by the Attorney General's Office to determine how to protect a public safety official's home address. Representatives will include those from law enforcement, the judicial community, the legal community, state recorders and assessors, and the business community involved in real estate transactions. The report, which shall include a comprehensive plan on how to protect a public safety official's home information and definitions of "public safety officials" is due by September 1, 2003.	California State Sheriffs Assoc. - LA County Sheriff's Dept.;	Uncodified Language		No Position	Majority 01/01/03

### Potential Ballot Measure

<b>Constitutional Initiative</b>	<b>Jarvis-Simon Homeowners and Renters Tax Relief Act.</b> <ul style="list-style-type: none"> <li>Increases homeowners' exemption to \$32,000 beginning in 2005.</li> <li>Provides for automatic annual inflation adjustment.</li> <li>Increases renters credit to \$250 for married couples, heads of household, surviving spouses (earn less than 50,000) and \$125 for all other qualified renters (earn less than 25,000).</li> </ul>	Howard Jarvis Taxpayers Assoc. & Bill Simon Candidate for Gov.	Art. XIII A, Sec. 3 (k)	Signature Collect -  Needs 670,816	No Position	Requires Collection of Signatures & Passage of Const. Amendment
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2002

## SPECIAL TAXES LEGISLATION

2002

Bill Summary		Sponsor	Sections	Amend	Position	Effective
AB 1458  Chapter 152, Statutes of 2002  Kelley	<p><b>Offers in compromise.</b> Provides the Board with the administrative authority to accept offers in compromise on a final tax liability under the Sales and Use Tax Law, the Use Fuel Tax Law and on a final fee liability under the Underground Storage Tank Maintenance Fee Law.</p> <p><b>Disaster relief.</b> Authorizes the Board to allow for relief of interest for failure to make a timely return or payment due under the Fee Collection Procedures Law due to a disaster.</p>	BOE	§7093.6 §9278 §50156.18 §55046.5	01/07/02 01/18/02	Support – Board Sponsor	Majority  01/01/03
AB 1752  Chapter 156, Statutes of 2002  Migden	<p><b>Disclosure and posting of Board hearing information.</b> Requires the Board of Equalization to distribute public writings, except those involving a named tax or fee payer, that pertain to a topic under consideration at a public meeting to all persons who request copies, as well as post that information on the Internet, and make the writings available for public inspection at the meeting, prior to the Board taking final action on that item.</p>	Author	§11125.1	01/07/02 04/09/02	Neutral	Majority  01/01/03
AB 1936  Chapter 459, Statutes of 2002  Horton	<p><b>Special Taxes Electronic Returns.</b> Authorizes the Board to accept Special Taxes program returns by electronic media and prescribe the method of authenticating a return, and clarify information to be reported under the Diesel Fuel Tax Law.</p>	BOE	§7403.2 §7651 §7652.5 §7652.7 §8752 §8763 §30181 §30182 §30183 §30186 §30187 §30188 §30193 §32251 §32263 §40061 §40063 §40069 §41052 §41063 §43151 §43173	02/12/02 03/30/02 04/03/02 04/18/02 05/23/02	Support – Board Sponsor	Majority  01/01/03

2002

## SPECIAL TAXES LEGISLATION

2002

	Bill Summary	Sponsor	Sections	Amend	Position	Effective
			§43152.6 §43152.7 §43152.9 §43152.13 §43152.14 §45151 §45163 §46151 §46163 §50109 §50112.10 §55040 §60107 §60201 §60202 §60204 §60205 §60205.5 §60505.5			
<b>AB 2205</b>  <b>Chapter 687, Statutes of 2002</b>  Koretz	<b>Sales of Untaxed Cigarettes Prevention Task Force.</b> Imposes an additional penalty for the distribution of black market cigarettes. Provides for the additional penalty to be deposited in the Unlawful Sales Reduction Fund, which the bill would create. Awards grants to local jurisdictions to establish a multiagency task force for the purpose of significantly reducing the sales of black market cigarettes and creating a deterrent to those sales, through the focused investigation and prosecution.	Los Angeles City Attorney	§30474.5	02/20/02 04/22/02 05/13/02 06/17/02 08/05/02	Support	Majority  01/01/03
<b>AB 3000</b>  <b>Chapter 1124, Statutes of 2002</b>  Committee on Budget	<b>Cigarette stamps</b> – Would define "stamps and meter impressions" to mean the indicia of payment of tax, as required, and include, but not be limited to, stamps, meter impressions, or any other indicia developed using current technology.  <b>Energy surcharge</b> - Would increase the "cap" on the energy resources surcharge imposed on the consumption in this state of electrical energy purchased from an electric utility, on and after January 1, 2003, from two-tenths (\$0.0002) of a mill to three-tenths (\$0.0003) of a mill.	Committee	§40016 §30018	06/24/02 06/29/02	No Position	2/3rds  Effective Immediately

2002

## SPECIAL TAXES LEGISLATION

2002

	Bill Summary	Sponsor	Sections	Amend	Position	Effective
<b>AB 3009</b>  <b>Chapter 1033, Statutes of 2002</b>  Committee on Budget	<b>Energy surcharge</b> - Would increase the "cap" on the energy resources surcharge imposed on the consumption in this state of electrical energy purchased from an electric utility, on and after January 1, 2003, from two-tenths (\$0.0002) of a mill to three-tenths (\$0.0003) of a mill.	Committee	\$40016	06/24/02 06/29/02	No Position	2/3rds  Effective Immediately
<b>SB 849</b>  <b>Chapter 514, Statutes of 2002</b>  Torlakson	<b>Oil Spill: Fees.</b> Increases the amount of the oil spill prevention and administration fee that the administrator for oil spill response is authorized to impose, from 4 cents to 5 cents per barrel of crude oil or petroleum products.	Author	\$8670.40	02/23/010 4/04/0106 /11/02 06/25/02 08/01/02 08/13/02 08/19/02	Neutral	Majority  01/01/03
<b>SB 1701</b>  <b>Chapter 881, Statutes of 2002</b>  Peace	<b>Tobacco Taxes: Tax Stamps.</b> Would require the Board of Equalization to replace the stamps and meter impressions, currently required to be affixed to tobacco products, with stamps and meter impressions generated by a technology capable of being read by a scanning or similar device.	Author	\$30162	02/21/02 04/30/02	Support	Majority  01/01/03
<b>SB 1766</b>  <b>Chapter 686, Statutes of 2002</b>  Ortiz	<b>Tobacco Taxes: face-to-face sales.</b> Requires that every retail sale of cigarettes in California be a vendor-assisted, face-to-face sale, unless all applicable taxes due on the sale are paid or the seller includes a prominent notice on the package indicating that the purchaser is responsible for any applicable California taxes on the cigarettes.	Author	\$30101.7	08/08/02	Support	Majority  01/01/03

2002

## SALES AND USE TAX LEGISLATION

2002

	Bill Summary	Sponsor	Sections	Amend	Position	Effective
<b>AB 7</b>  <b>Chapter 30,</b> <b>Statutes of</b> <b>2002</b>  Thomson	<b>Transactions and use tax - City of Davis.</b> Authorizes the City of Davis, subject to either a two-thirds or majority voter approval, as determined by the ordinance proposing the tax and establishing how the revenues will be spent, to levy a transactions and use tax at a rate of 1/4 or 1/2 percent.	City of Davis	Chapter 3.6 (commencing with Section 7290) to Part 1.7 of Division 2 of the R & T Code	04/02/02 05/31/01 04/17/01 03/13/01	Neutral	Majority  01/01/03
<b>AB 902</b>  <b>Chapter 331,</b> <b>Statutes of</b> <b>2002</b>  Strom-Martin	<b>Transactions and use tax - Qualified Cities.</b> Authorizes the cities of Clearlake, Fort Bragg, Point Arena, Ukiah, and Willits, subject to two-thirds voter approval, to levy a transactions and use tax at a rate of 1/4 percent, or multiple thereof, not to exceed 1 percent, for the funding of the cities' road systems.	Counties of Lake and Mendocino	Chapter 2.64 (commencing with Section 7286.24) to Part 1.7 of Division 2 of the R & T Code	08/05/02 6/26/02 06/17/02 06/10/02 04/16/01	Neutral	Majority  01/01/03
<b>AB 1458</b>  <b>Chapter 152,</b> <b>Statutes of</b> <b>2002</b>  Kelley	<b>Offers in compromise.</b> Provides the Board with the administrative authority to accept offers in compromise on a final tax liability under the Sales and Use Tax Law, the Use Fuel Tax Law and on a final fee liability under the Underground Storage Tank Maintenance Fee Law.	Board	§7093.6 §9278 §50156.18 §55046.5	01/18/02 01/07/02	Support	Majority  01/01/03
<b>AB 1752</b>  <b>Chapter 156,</b> <b>Statutes of</b> <b>2002</b>  Migden	<b>Disclosure and posting of Board hearing information.</b> Requires the Board to distribute public writings, except those involving a named tax or fee payer, that pertain to a topic under consideration at a public meeting to all persons who request copies, as well as post that information on the Internet, and make the writings available for public inspection at the meeting, prior to the Board taking final action on that item.	Author	§11125.1	04/09/02	Neutral	Majority  01/01/03

2002

## SALES AND USE TAX LEGISLATION

2002

	Bill Summary	Sponsor	Sections	Amend	Position	Effective
<b>AB 2061</b>  <b>Chapter 338,</b> <b>Statutes of</b> <b>2002</b>  Salinas	<b>Transactions and use tax - City of Salinas.</b> Authorizes the City of Salinas, subject to two-thirds voter approval, to levy a transactions and use tax at a rate of 1/4 percent, for expenditure on identifiable capital facilities, furnishings, and equipment.	City of Salinas	Chapter 2.67 (commencing with Section 7286.28) to Part 1.7 of Division 2 of the R & T Code	05/14/02 04/16/02	Neutral	Majority 01/01/03
<b>AB 2065</b>  <b>Chapter 488,</b> <b>Statutes of</b> <b>2002</b>  Oropeza	<b>Waiver of interest and penalties.</b> Authorizes the Board to waive any penalties and interest on unpaid sales and use taxes owed by eligible taxpayers, as defined, to the extent that the underlying tax liability is paid.	Assembly Budget Committee	\$7093.8	08/31/02 06/28/02 06/24/02 06/11/02	No Position	Two-thirds 09/12/02
<b>AB 2701</b>  <b>Chapter 593,</b> <b>Statutes of</b> <b>2002</b>  Wyman	<b>Indian tribal taxes exclusion.</b> Excludes from the definition of "gross receipts" and "sales price" the amount of any tax imposed by an Indian tribe, as specified, thereby excluding that amount from the computation of sales or use tax.	Chemehuevi and Hopland Indian tribes	\$6011 \$6012	08/12/02	Support	Majority 01/01/03
<b>AB 2758</b>  <b>Chapter 346,</b> <b>Statutes of</b> <b>2002</b>  Briggs	<b>Transactions and use tax - City of Visalia.</b> Authorizes the City of Visalia, subject to two-thirds voter approval, to levy a transactions and use tax at a rate of 1/4 percent for public safety and law enforcement services	City of Visalia	Chapter 2.87 (commencing with Section 7286.44) to Part 1.7 of Division 2 of the R &	05/14/02 04/01/02	Neutral	Majority 01/01/03

2002

## SALES AND USE TAX LEGISLATION

2002

	Bill Summary	Sponsor	Sections	Amend	Position	Effective
			T Code			
<b>SB 1889</b>  <b>Chapter 119,</b> <b>Statutes of</b> <b>2002</b>  Johannessen	<b>Transactions and use tax - City of Redding.</b> Authorizes the City of Redding, subject to majority voter approval, to levy a transactions and use tax at a rate of 1/4 percent for general governmental purposes.	City of Redding	Chapter 2.90 (commencing with Section 7286.47) to Part 1.7 of Division 2 of the R & T Code	05/15/02 04/30/02 04/17/02	Neutral	Majority  01/01/03
<b>SB 1901</b>  <b>Chapter 446,</b> <b>Statutes of</b> <b>2002</b>  Machado	<b>Diesel fuel prepayment exemption.</b> Authorizes certain diesel fuel sellers to issue an exemption certificate to their diesel fuel suppliers so that the sellers would not be required to pay the 8 cent per gallon prepayment on fuel that is sold to farmers and food processors.	California Independent Oil Marketers Assoc.	§6480.3	05/16/02	Support	09/09/02, but operative 10/09/02
<b>SB 2092</b>  <b>Chapter 775,</b> <b>Statutes of</b> <b>2002</b>  S R & T Comm.	<b>Local Sales and Use Tax - Leases of Vehicles.</b> Among other things, amends the definition of "motor vehicle" to clarify that the allocation of local sales and use tax on leased vehicles is limited to passenger vehicles (other than a house car) and pickup trucks rated less than one ton.	Author	§7205.1	06/19/02 06/10/02 04/08/02	Support	Majority  01/01/03